

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

M. DIANE KOKEN, in her official capacity :
as Insurance Commissioner of the Commonwealth :
of Pennsylvania, as Liquidator of RELIANCE :
INSURANCE COMPANY (IN LIQUIDATION) :
1311 Strawberry Square :
Harrisburg, Pennsylvania 17120 :

Plaintiff,

v.

GPC INTERNATIONAL, INC. :
510 Broadhollow Road :
Melville, NY 11747 :

Defendant.

CIVIL ACTION NO. _____

COMPLAINT

Plaintiff M. Diane Koken, in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania, as Liquidator (the “Liquidator”) of Reliance Insurance Company (in Liquidation) (“Reliance”), by and through her attorneys, Fox Rothschild LLP, asserts the following Complaint for breach of contract and declaratory relief against defendant GPC International, Inc. (“GPC”). The Liquidator seeks damages from GPC, including interest, attorneys’ fees and costs, as well as declaratory relief. The damages arise as a result of GPC’s refusal to pay Reliance \$448,199 in additional premium due Reliance on certain insurance policies that Reliance issued to GPC. GPC has enjoyed all of the benefits of coverage under those policies, yet has refused without justification to pay Reliance additional premiums pursuant to the terms of the policies. In support of this Complaint, the Liquidator avers as follows:

THE PARTIES

1. The Liquidator is acting in her official capacity as Insurance Commissioner of the Commonwealth of Pennsylvania and brings this action pursuant to the October 3, 2001 Order of the Commonwealth Court of Pennsylvania naming her as the Liquidator of Reliance (the "Liquidation Order"). A true and correct copy of the Liquidation Order is attached as Exhibit "A" hereto and incorporated herein by reference. The Liquidator's official place of business is 1311 Strawberry Square, Harrisburg, Pennsylvania 17120.

2. Reliance is a Pennsylvania domiciled insurance company with its principal place of business located at Three Parkway, Philadelphia, Pennsylvania 19102.

3. Pursuant to article V, section 523(12) of Pennsylvania's Insurance Department Act of 1921, 40 P.S. § 221.23(12) and the Liquidation Order, the Liquidator is authorized to bring this action on behalf of Reliance.

4. GPC is a Delaware corporation with its principal place of business located at 510 Broadhollow Road, Melville, New York 11747. GPC formerly was known as CPG International, Inc.

JURISDICTION AND VENUE

5. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a) in that the parties are citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

6. Venue in this judicial district is proper pursuant to 28 U.S.C. § 1391 because GPC is incorporated in and a resident of the State of Delaware.

BACKGROUND

7. From 1992 through 1995, Reliance issued a series of workers' compensation and employer's liability insurance policies with policy nos. VK 173391 01, VK 1733935 00, VK 1733912 02 and VK 1733912 03 in New York to GPC (collectively, the "Reliance Policies"). The Reliance Policies covered the period June 17, 1992 to June 30, 1995. Pertinent provisions of the Reliance Policies are attached collectively as Exhibit "B" hereto and incorporated herein by reference.

8. The Reliance Policies covered employees of GPC in various states throughout the country, including New York.

9. The Reliance Policies also contain what are commonly referred to as "retrospective premium" provisions that provide for the cost of the insurance to be rated retrospectively through a retrospective calculation and determination of GPC's *actual* premium payment amount (the "Retrospective Premium"). The Retrospective Premium amount due and owing is recalculated at annual intervals in accordance with the insured's loss experience.

10. The Retrospective Premium provisions in the Reliance Policies provide that if the Retrospective Premiums are more than the *estimated* premiums paid by GPC during the term of the Reliance Policies, then GPC will be responsible for paying the balance to Reliance. Likewise, if the *estimated* premium payments exceed the Retrospective Premium, then Reliance will be responsible for refunding to GPC the excess amount of those payments.

TERMS OF THE RELIANCE POLICY

11. Pursuant to the terms of the Reliance Policies, Reliance agreed to provide GPC with workers' compensation and employer's liability insurance in return for the promise to pay *estimated* premiums.

12. The "Retrospective Premium Endorsements" to the Reliance Policies issued by Reliance to GPC provide in pertinent part:

D. PREMIUM CALCULATIONS AND PAYMENTS

1. WE WILL CALCULATE THE RETROSPECTIVE PREMIUM USING ALL LOSS INFORMATION WE HAVE AS OF THE DATE SIX MONTHS AFTER THE RATING PLAN PERIOD ENDS AND ANNUALLY THEREAFTER. WE WILL HAVE THE CALCULATION VERIFIED BY THE APPROPRIATE RATE SERVICE ORGANIZATION AT YOUR REQUEST.

WE MAY MAKE A SPECIAL VALUATION OF THE RETROSPECTIVE PREMIUM AS OF ANY DATE THAT YOU ARE DECLARED BANKRUPT OR INSOLVENT, MAKE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, ARE INVOLVED IN REORGANIZATION, RECEIVERSHIP, OR LIQUIDATION, OR DISPOSE OF ALL YOUR INTEREST IN WORK COVERED BY THE INSURANCE. YOU WILL PAY THE AMOUNT DUE US IF THE RETROSPECTIVE PREMIUM IS MORE THAN THE TOTAL STANDARD PREMIUM AS OF THE SPECIAL VALUATION DATE.

2. AFTER A CALCULATION OF RETROSPECTIVE PREMIUM, YOU AND WE MAY AGREE THAT IT IS THE FINAL CALCULATION. NO OTHER CALCULATION WILL BE MADE UNLESS THERE IS A CLERICAL ERROR IN THE FINAL CALCULATION.
3. AFTER EACH CALCULATION OF RETROSPECTIVE PREMIUM, YOU WILL PAY PROMPTLY THE AMOUNT DUE US, OR WE WILL REFUND THE AMOUNT DUE YOU. EACH INSURED IS RESPONSIBLE FOR THE PAYMENT OF ALL STANDARD PREMIUM AND RETROSPECTIVE PREMIUM CALCULATED UNDER THIS ENDORSEMENT.

13. Accordingly, the premiums with respect to the Reliance Policies will be subject to further calculation of the Retrospective Premiums, which may result in further amounts due to Reliance.

14. Pursuant to the Retrospective Premium Endorsements to the Reliance Policies, Reliance performed retrospective premium adjustments on the Reliance Policies at various times.

15. Following the entry of the October 3, 2001 Liquidation Order, Reliance performed Retrospective Premium adjustments on the Reliance Policies.

16. Pursuant to the terms and conditions of the Reliance Policies, there is currently a balance of \$448,199 due and owing from GPC to Reliance in unpaid Retrospective Premium adjustments

17. The Liquidator seeks to recover the past-due insurance premiums on the Reliance Policies, and also seeks declaratory relief with respect to GPC's continuing liability under the Reliance Policies.

18. GPC has refused to pay the past-due insurance premiums based on Reliance's alleged mishandling of one worker's compensation claim made by a GPC employee named Frank Jamaica. Under the law of New York governing the Reliance Policies, however, alleged negligent or bad-faith claims' handling by an insurer cannot be asserted by an insured as a set-off or affirmative defense to a claim for retrospective premiums.

COUNT I
BREACH OF CONTRACT

19. The Liquidator incorporates by reference the averments contained in paragraphs 1 through 18 above.

20. Reliance fully performed all of its obligations under the Reliance Policies.

21. Despite demand for payment of the Retrospective Premiums due, GPC has failed and refused to make such payment and has breached its obligation under the Reliance Policies.

22. GPC's breach of the Reliance Policies has caused the Liquidator to sustain damages to date in the amount of \$448,199 plus interest, attorneys' fees and the costs incurred in connection with this action.

WHEREFORE, the Liquidator demands judgment in her favor and against defendant GPC International, Inc. in an amount not less than \$448,199, plus interest, attorneys' fees and costs and such other relief as the Court deems just and proper.

COUNT II
BREACH OF CONTRACT

23. The Liquidator incorporates by reference the averments contained in paragraphs 1 through 22 above.

24. GPC owes Reliance for the reasonable value of workers' compensation and employer's liability insurance coverage provided to GPC.

WHEREFORE, the Liquidator demands judgment in her favor and against defendant GPC International, Inc. in an amount not less than \$448,199, plus interest, attorneys' fees and costs and such other relief as the Court deems just and proper.

COUNT III
DECLARATORY JUDGMENT AS ANCILLARY RELIEF

25. The Liquidator incorporates by reference the averments contained in paragraphs 1 through 24 above.

26. This claim is brought pursuant to the provisions of the Declaratory Judgment Act, 28 U.S.C. §§ 2201 et seq. The Retrospective Premium Endorsements to the Reliance Policies provide that the retrospective premiums due and owing under the Reliance Policies are to be recalculated at annual intervals in accordance with the insured's loss experience. Thus, the premiums with respect to the Reliance Policies will be subject to further calculations in the future.

27. There is presently an actual controversy within the meaning of the Declaratory Judgment Act.

WHEREFORE, the Liquidator demands judgment in her favor and against defendant GPC International, Inc. as follows:

- (a) For an order of the Court declaring the liability of defendant GPC International, Inc. for future retrospective premium adjustments in accordance with the Reliance Policies; and
- (b) For such other and further relief as the Court deems just and proper.



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-AND-

Of Counsel
Gerald E. Arth, Esquire
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2000 Market Street, Tenth Floor
Philadelphia, PA 19103-3291
(215) 299-2000

Attorneys for Plaintiff

Dated: April 15, 2005

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**M. Diane Koken,
Insurance Commissioner of the
Commonwealth of Pennsylvania,
Plaintiff**

V.

**Reliance Insurance Company,
Defendant**

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No. 269 M.D. 2001

RECEIVED AND FILED
FBI - ALBANY
COMMUNICATIONS SECTION
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ORDER OF LIQUIDATION

AND NOW, this 3rd day of October, 2001, upon consideration of the Petition of M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Rehabilitator of Reliance Insurance Company for Liquidation in accordance with Article V of the Insurance Department Act of 1921, as amended, 40 P.S. §211, et seq. and the Consent thereto, it is hereby **ORDERED** and **DECREED** that said Petition is **GRANTED**.

It is further **ORDERED** and **DECREED** that:

1. The rehabilitation of Reliance Insurance Company ("Reliance" or the "Company") commenced under this Court's Order of May 29, 2001 is hereby **TERMINATED**.

2. Reliance is hereby found to be and is declared **INSOLVENT**, as that term is defined in 40 P.S. §§ 221.3, and as provided in 40 P.S. §§ 221.14(1) and 221.19.

3. Commissioner M. Diane Koken and her successors in office (the "Commissioner") are hereby **APPOINTED** Liquidator of Reliance and the Liquidator or her designees (the "Liquidator") are directed immediately to take possession of Reliance's property, business and affairs as Liquidator, and to liquidate Reliance in accordance with Article V of the Insurance Department Act of 1921, as amended (40 P.S. §§211 et seq.) (the "Act"), and to take such action as the interest of the policyholders, creditors or the public may require.

4. The Liquidator is hereby **VESTED** with all the powers, rights, and duties authorized under the Act and other applicable law.

ASSETS OF THE ESTATE

5. The Commissioner, as Liquidator, is vested with title to all property, assets, contracts and rights of action ("assets") of Reliance, of whatever nature and wherever located, whether held directly or indirectly, as of the date of the filing of the Petition for Liquidation. All assets of Reliance are hereby found to be in custodia legis of this Court; and this

Court specifically asserts, to the fullest extent of its authority, (a) in rem jurisdiction over all assets of the Company wherever they may be located and regardless of whether they are held in the name of the Company or any other name; (b) exclusive jurisdiction over all determinations of the validity and amount of claims against Reliance; and (c) exclusive jurisdiction over the determination of the distribution priority of all claims against Reliance.

6. The filing or recording of the Order with the clerk of the Commonwealth Court or with the recorder of deeds of the county in which the principal business of Reliance is conducted, or the county in which its principal office or place of business is located, shall impart the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that recorder of deeds would have imparted.

7. All banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of Reliance, shall, unless otherwise instructed by the Liquidator, deliver the possession of the same immediately to the Liquidator, and shall not disburse, convey, transfer, pledge, assign, hypothecate, encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator.

8. All persons and entities are enjoined from disposing of or destroying any records pertaining to any transactions between Reliance and any party.

9. The amount recoverable by the Liquidator from any reinsurer shall not be reduced as a result of this Order of Liquidation,

regardless of any provision in a reinsurance contract or other agreement. Payment made directly by the reinsurer to an insured or other creditor of Reliance shall not diminish the reinsurer's obligation to Reliance, except to the extent provided by law.

10. All agents, brokers, and other persons having sold policies of insurance issued by Reliance shall account for and pay all unearned commissions and all premiums, collected and uncollected, for the benefit of Reliance directly to the Liquidator, within 30 days of notice of this Order. No agent, broker, reinsurance intermediary or other person shall disburse or use monies which come into their possession and are owed to, or are claimed by, Reliance for any purpose other than payment to the Liquidator.

11. If requested by the Liquidator, all attorneys employed or retained by Reliance or performing legal services for Reliance as of the date of this Order shall, within 30 days of such request, report to the Liquidator the name, company claim number (if applicable) and status of each matter they are handling on behalf of Reliance. Said report shall include the full caption, docket number and name and address of opposing counsel in each case and an accounting of any funds received from or on behalf of Reliance for any purpose and in any capacity.

12. Any entity furnishing telephone, water, electric, sewage, garbage, delivery, trash removal, or utility services to Reliance shall maintain such service and create a new account for the Liquidator as of the date of this Order upon instruction by the Liquidator.

13. Any entity (including any affiliate of Reliance) which has custody or control of any data processing information and records (including but not limited to source documents, all types of electronically stored information, master tapes or any other recorded information) relating to Reliance, shall transfer custody and control of such records in a form readable by the Liquidator to the Liquidator as of the date of this Order, unless instructed to the contrary by the Liquidator.

14. Any entity (including any affiliate of Reliance) furnishing claims processing or data processing services to Reliance shall maintain such services and transfer any such accounts to the Liquidator as of the date of this Order, unless instructed to the contrary by the Liquidator.

15. Reliance, its affiliates, and their officers, directors, trustees, employees, consultants, agents, and attorneys, shall: surrender peacefully to the Liquidator the premises where Reliance conducts its business; deliver all keys or access codes thereto and to any safe deposit boxes; advise the Liquidator of the combinations or access codes of any safe or safekeeping devices of Reliance or any password or authorization code or access code required for access to data processing equipment; and shall deliver and surrender peacefully to the Liquidator all of the assets, books, records, files, credit cards, and other property of Reliance in their possession or control, wherever located, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the foregoing.

16. Except for contracts of insurance and for reinsurance, all executory contracts to which Reliance is a party as of the date of this Order

may be affirmed or disavowed by the Liquidator within 90 days of the date of this Order.

CONTINUATION AND CANCELLATION OF COVERAGE

17. All policies and contracts of insurance, whether issued within this Commonwealth or elsewhere, in effect on the date of this Order shall continue in force only with respect to risks in effect at that time, for the lesser of the following: (a) thirty days from the date of this Order; (b) until the normal expiration of the policy or contract providing insurance coverage; (c) until the insured has replaced the insurance coverage with equivalent insurance with another insurer or otherwise terminated the policy; or (d) until the Liquidator has effected a transfer of the policy obligation pursuant to Section 221.23(8). All policies or contracts of insurance issued by Reliance are hereby cancelled and terminated for all purposes effective thirty days from the date of this Order.

WORKERS COMPENSATION AND PERSONAL INJURY PROTECTION CLAIMS

18. For a period not to exceed 90 days from entry of this Order, the Liquidator is authorized but not obligated, in her sole discretion, to make arrangements for the continued payment in full of the claims under policies of workers compensation and under policies providing personal injury protection (PIP) by making the facilities, computer systems, books, records and arrangements with third party administrators (to the extent possible) of Reliance available for the processing and payment of such

claims, to any affected guaranty association (or other entity that is the functional equivalent) and to states and state officials holding statutory deposits for the benefit of such workers compensation and PIP claimants, provided, however, that such guaranty associations, states or state officials shall provide or make available the funds to make the actual payment of such claims. In circumstances where a guaranty association certifies in writing to the Liquidator that it does not have the immediate ability to fund the payment of workers compensation and PIP claims that are its obligation by law, the Liquidator is authorized to advance the funds, if available, from Reliance to pay such claims on a temporary basis for a period not to exceed 90 days, provided that the guaranty association enters into a written agreement that such advances shall be treated as a distribution pursuant to 40 P.S. §221.36. The Liquidator shall have the discretion to accept such interim assurances as she deems adequate in lieu of a formal agreement.

NOTICE AND PROCEDURES FOR FILING CLAIMS

19. The Liquidator shall give notice by first-class mail to all persons which or who may have claims against Reliance, contingent or otherwise, as disclosed by its books and records, and advising claimants to file with the Liquidator their claims together with proper proofs thereof on or before the date (which shall be no earlier than one year from the date of the notice) the Liquidator shall specify therein. The Liquidator shall also cause a notice to be published in newspapers of general circulation where Reliance has its principal places of business, as well as in the national edition of the Wall Street Journal, (a) specifying the last day for the filing of claims; (b) advising all persons of the procedure by which all persons may

present their claims to the Liquidator; (c) advising all persons of the Liquidator's office wherein they may present their claim; and (d) advising all persons of their right to present their claim or claims to the Liquidator. Any and all persons, firms, or corporations having or claiming to have any accounts, debts, claims or demands against Reliance, contingent or otherwise, or claiming any right, title, or interest in any funds or property in the possession of the Liquidator are required to file with the Liquidator at the location designated in the above-described notices, on or before the date specified by the Liquidator as the last date upon which to file a claim (which shall be no earlier than one year from the date of the notice), a properly completed proof of claim or be thereafter barred as claimants against any assets in the hands of the Liquidator, unless a late filing is permitted under 40 P.S. §221.37. No person shall participate in any distribution of the assets of Reliance unless such claims are filed and presented in accordance with and within the time limit established by the Liquidator, subject to the provisions for the late filing of claims in 40 P.S. §221.37.

EXPENSES, PAYMENTS AND LAWSUITS

20. Without filing a petition for distribution, the Liquidator shall have the discretion to pay as costs and expenses of administration, pursuant to 40 P.S. §221.44, the actual, reasonable and necessary costs of preserving or recovering assets of Reliance and the costs of goods or services provided to and approved by Reliance (In Rehabilitation) or this Court during the period of Rehabilitation and that are unpaid as of the date of this Order. The rights and liabilities of Reliance and of its creditors,

policyholders, trustees, shareholders, members, and all other persons interested in this estate shall be determined in accordance with the Act as of the date of the filing of the Petition for Liquidation.

21. Reliance, its affiliates, or their directors, officers, trustees, employees, attorneys, brokers, consultants, agents, insureds, creditors, and any other persons, wherever located, are enjoined from: (a) the transaction of further business; (b) transferring, selling, concealing, terminating, canceling, destroying, disbursing, disposing of or assigning any assets, funds or other property of any nature; (c) any interference, in any manner, with Commissioner M. Diane Koken or her successors, or any of her designees in liquidating Reliance's business and affairs; (d) any waste of Reliance's assets or property; (e) the dissipation and transfer of bank accounts and negotiable instruments; (f) the institution or further prosecution of any actions in law or equity on behalf of or against Reliance; (g) the obtaining of preferences, judgments, attachments, garnishments or liens against Reliance's assets, property and policyholders; (h) the levy of execution process against Reliance and its assets, property and policyholders; (i) the negotiation or execution of any agreement of sale or deed conveying personal or real property for nonpayment of taxes or assessments or for any other purpose; (j) withholding from the Liquidator or her designees or removing, concealing, transferring or destroying books, accounts, documents, policies or policy related documents or other records relating to Reliance's business; (k) making any assessments or indirectly collecting such assessments by setting them off against amounts otherwise payable to Reliance; (l) attempting to collect unpaid premiums, deductibles

or self insured retentions from Reliance's insureds; and (m) the taking of any other action which might lessen the value of Reliance's assets or property, prejudice the rights and interests of policyholders and creditors, or interfere in the administration of the proceeding.

22. Unless the Liquidator consents thereto in writing, no action at law or equity, or arbitration or mediation, shall be brought against Reliance or the Liquidator, whether in this Commonwealth or elsewhere, nor shall any such existing action be maintained or further prosecuted after the date of this Order. All actions, including arbitrations and mediations, currently pending against Reliance in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed. All actions, arbitrations and mediations, against Reliance or the Liquidator shall be submitted and considered as claims in the liquidation proceeding.

23. All proceedings in which Reliance is obligated to defend a party in any court of this Commonwealth are hereby stayed for ninety (90) days from the date this Order. The Liquidator, pursuant to 40 P.S. §221.5(a), her designees and/or the Pennsylvania Property and Casualty Insurance Guaranty Association may petition this Court for extensions as needed in the exercise of their respective discretion. With respect to suits and other proceedings in which Reliance is obligated to defend a party, pending outside the Commonwealth of Pennsylvania and in federal courts of the United States, this Order constitutes the request of this Court for comity in the imposition of a 90-day stay by such courts or tribunals, and that those courts afford this order deference by reason of this Court's responsibility for

and supervisory authority over the rehabilitation of Reliance, as vested in this Court by the Pennsylvania Legislature. The Liquidator is authorized to cooperate in assisting any guaranty association in any jurisdiction to enforce any stay of any action provided for in any relevant law of another state. Any person that fails to honor a stay ordered by this Court or violates any provision of this Order, where such person has a claim against Reliance, shall have their claim subordinated to all other claims in the same class, with no payment being made with respect to such claim until all others in the same class have been paid in full, in addition to any other remedies available at law or in equity.

24. No judgment or order against Reliance or its insureds entered after the date of filing of the Petition for Liquidation, and no judgment or order against Reliance entered at any time by default or by collusion, need be considered as evidence of liability or quantum of damages by the Liquidator.

25. No action or proceeding in the nature of an attachment, garnishment, or execution shall be commenced or maintained in this Commonwealth or elsewhere against Reliance or the Liquidator, or their assets.

26. All secured creditors or parties, pledges, lienholders, collateral holders or other person claiming secured, priority or preferred interests in any property or assets of Reliance are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach,

dispose of, or exercise, purported rights in or against any property or assets of Reliance except as provided in 40 P.S. §221.43.

27. All references to "Reliance" herein shall include the former subsidiaries which were previously merged into Reliance Insurance Company with approval of the Commissioner, including Reliance National Indemnity Company, Reliance National Insurance Company, United Pacific Insurance Company, Reliance Direct Company, Reliance Surety Company, Reliance Universal Insurance Company, United Pacific Insurance Company of New York and Reliance Insurance Company of Illinois.

28. This Order shall be effective on the date of entry specified above and supercedes this Court's Order of May 29, 2001.

29. Further, this Order supercedes any order entered by this Court prior to 12:00 noon, October 3, 2001.

The Rehabilitator, through its counsel, is hereby directed to forthwith, serve a copy of this order upon all parties listed on the master service list via fax and/or e-mail and U.S. mail, if necessary. The Rehabilitator, through its counsel, is directed to file with the court in the Office of the Prothonotary, 9th Floor the Widener Building, 1339 Chestnut Street, Philadelphia, PA 19107, by 1:00 p.m. October 9, 2001 an affidavit, that service, as outlined above, has been effectuated.


JAMES GARDNER COLINS, Judge

EXHIBIT B



Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY
INSURANCE POLICY INFORMATION PAGE

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 00

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92 TO: 06/17/93	0630056

NAME OF INSURED AND ADDRESS	AGENCY NAME AND ADDRESS
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CPG INTERNATIONAL, INC.
SEE ENDORSEMENT WC 890601
510 BROAD HOLLOW ROAD
MELVILLE, NY

11747

JOHNSON & HIGGINS
125 BROAD ST
NEW YORK, NY

10004

ENTITY OF INSURED - CORPORATION

FILING NO. SEE ENDT. 990000

FEIN NO. 330106915

OTHER WORKPLACES NOT SHOWN ABOVE: SEE EXTENSION OF INFORMATION PAGE

ITEM 2. THE POLICY PERIOD IS EFFECTIVE FROM 12:01 AM ON THE DATE SHOWN ABOVE AND EXPIRES AT 12:01 AM ON THE DATE SHOWN ABOVE.

ITEM 3. A. WORKERS' COMPENSATION INSURANCE: PART ONE OF THE POLICY APPLIES TO THE WORKERS' COMPENSATION LAW OF THE STATES LISTED HERE:
AZ,CA,CO,CT,GA,IL,LA,MD,MI,MN,MO,NJ,NY,TX,WI

B. EMPLOYERS' LIABILITY INSURANCE: PART TWO OF THE POLICY APPLIES TO WORK IN EACH STATE LISTED IN ITEM 3.A.: THE LIMITS OF OUR LIABILITY UNDER PART TWO ARE:

BODILY INJURY BY ACCIDENT	\$	1,000,000 EACH ACCIDENT
BODILY INJURY BY DISEASE	\$	1,000,000 POLICY LIMIT
BODILY INJURY BY DISEASE	\$	1,000,000 EACH EMPLOYEE

C. OTHER STATES INSURANCE: PART THREE OF THE POLICY APPLIES TO THE STATES, IF ANY, LISTED HERE: ALL STATES EXCEPT NV, ND, OH, WA, WV AND WY AND STATES DESIGNATED IN ITEM 3.A. OF THE INFORMATION PAGE.

D. THIS POLICY INCLUDES THESE ENDORSEMENTS AND SCHEDULES:
SEE EXTENSION OF INFORMATION PAGE.

ITEM 4. THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY OUR MANUALS OF RULES, CLASSIFICATIONS, RATES AND RATING PLANS. ALL INFORMATION REQUIRED BELOW IS SUBJECT TO VERIFICATION AND CHANGE BY AUDIT.

CLASSIFICATION OF OPERATIONS: SEE EXTENSION OF INFORMATION PAGE

MINIMUM PREMIUM \$ 1,000	EXPENSE CONSTANT	\$	
	TOTAL ESTIMATED COST	\$	622,380
	DEPOSIT PREMIUM	*\$	622,380

*INCLUDES \$ 402. STATE WORKER'S COMPENSATION ADMINISTRATION SURCHARGE
ADJUSTMENT OF PREMIUM SHALL BE MADE
COPYRIGHT 1987 NATIONAL COUNCIL ON COMPENSATION INSURANCE.

COUNTERSIGNED _____ BY _____
(DATE) (AUTHORIZED REPRESENTATIVE)

DEC 04B 1/90



Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE POLICY-EXTENSION OF INFO. PAGE

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 00

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92 TO: 06/17/93	0630056
NAMED INSURED: CPG INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
EXTENSION OF POLICY INFORMATION PAGE

ST	LOC	CODE NO.	CLASSIFICATION OF OPERATIONS	EST. TOTAL REMUN.	RATE PER \$100 REMUN.	EST. ANNL. PREM.
AZ	ALL	4493	FABRIC COATING OR IMPREGNATING N.O.C.	186,694	6.20	11,575.
		8292	WAREHOUSE - N.O.C.	113,470	8.40	9,531.
		8742	SALESPERSONS, COLLECTORS	37,000	.71	263.
		8810	CLERICAL OFFICE EMPLOYEES	367,355	.52	1,910.
		9812	EMPLOYERS LIABILITY		2%	466.
		9898	EXPERIENCE MODIFICATION		.83	-4,037.
			ARIZONA TOTAL			19,708.
CA	ALL	3076 / 1	FURNITURE MFG. - METAL	2,184,583	12.59	275,039.
		4250 1	PAPER COATING OR LAMINATING	933,348	8.84	82,508.
		8292	WAREHOUSES-GENERAL MERCHANDISE- N.O.C.	83,366	19.45	16,215.
				768,638		
		8742 / 1	SALESPERSONS-OUTSIDE	700,311	1.34	9,384.
		8810 / 1	CLERICAL OFFICE EMPLOYEES-N.O.C.	2,277,184	.94	21,406.
		9898	EXPERIENCE MODIFICATION		71/72	-113,275.
		0990	COMPANY SURCHARGE	103.28%	2.0328	300,820.
			S.W.C.A. SURCHARGE		.1383%	402.519
			CALIFORNIA TOTAL			592,499.

DEC 04B 1/80



Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE POLICY-EXTENSION OF 1.00. PAGE

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 00

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92	TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
EXTENSION OF POLICY INFORMATION PAGE

ST	LOC	CODE NO.	CLASSIFICATION OF OPERATIONS	EST. TOTAL REMUN.	RATE PER \$100 REMUN.	EST. ANNL. PREM.
CO	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS- OUTSIDE	55,816	.81	452.
		9812	EMPLOYER'S LIABILITY		3.30%	15.
		9898	EXPERIENCE MODIFICATION MERCHANDISE-N.O.C.		.83	-79.
			COLORADO TOTAL			388.
CT	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	41,789	1.02	426.
		9812	EMPLOYER'S LIABILITY		3.30%	14.
		9898	EXPERIENCE MODIFICATION		.83	-75.
			INDUSTRIAL CLASSIFICATION SURCHARGE		6.35%	23.
			CONNECTICUT TOTAL			388.
GA	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	100,077	1.22	1,221.
		9812	EMPLOYER'S LIABILITY		3.30%	40.
		9898	EXPERIENCE MODIFICATION		.83	-214.
			GEORGIA TOTAL			1,047.
IL	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	45,386	.79	359.
		9812	EMPLOYER'S LIABILITY		3.30%	12.

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Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE POLICY-EXTENSION OF INFO. PAGE

NCCI CARRIER CODE #12521

**EFFECTIVE 06/17/92

PREVIOUS POLICY
VK 1733912 00

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92 TO: 06/17/93	0630056
NAMED INSURED: CPG INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
EXTENSION OF POLICY INFORMATION PAGE

ST	LOC	CODE NO.	CLASSIFICATION OF OPERATIONS	EST. TOTAL REMUN.	RATE PER \$100 REMUN.	EST. ANNL. PREM.
IL	ALL	9898	EXPERIENCE MODIFICATION		.83	-63.
			ILLINOIS TOTAL			308.
LA	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	55,880	1.54	861.
		9812	EMPLOYER'S LIABILITY		2%	17.
		9898	EXPERIENCE MODIFICATION		.83	-149.
			LOUISIANA TOTAL			729.
MD	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	19,712	.63	124.
		9812	EMPLOYER'S LIABILITY		3.30%	4.
		9898	EXPERIENCE MODIFICATION		.83	-22.
			MARYLAND TOTAL			106.
MI	ALL	4250	PAPER COATING	58,215	5.00	2,911.
		8292	WAREHOUSES - N.O.C.	24,779	6.56	1,626.
		8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	72,971	.67	489.
		8810	CLERICAL OFFICE EMPLOYEES	18,863	.37	70.
		9812	EMPLOYER'S LIABILITY		2%	102.
		9898	EXPERIENCE MODIFICATION		.83	-884.
			MICHIGAN TOTAL			4,314.

DEC 04/8 1/90



Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE POLICY-EXTENSION OF 1,000. PAGE

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 00

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92 TO: 06/17/93	0630056
NAMED INSURED: CPG INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
EXTENSION OF POLICY INFORMATION PAGE

ST	LOC	CODE NO.	CLASSIFICATION OF OPERATIONS	EST. TOTAL REMUN.	RATE PER \$100 REMUN.	EST. ANNL. PREM.
MN	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	68,280	1.41	963.
		9812	EMPLOYER'S LIABILITY		3.30%	32.
		9898	EXPERIENCE MODIFICATION		.83	-169.
			MINNESOTA TOTAL			826.
MO	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	39,721	.69	274.
		9812	EMPLOYER'S LIABILITY		1.015	4.
		9898	EXPERIENCE MODIFICATION		.83	-47.
			MISSOURI WORKERS' COMPENSATION PREMIUM SURCHARGE		3%	7.
			MISSOURI TOTAL			238.
NJ	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	66,116	.55	364.
		0935	NEW JERSEY SECOND INJURY FUND SURCHARGE		8.79%	32.
			NEW JERSEY TOTAL			396.
NY	ALL	8809	EXECUTIVE OFFICERS N.O.C.	"IF ANY"		AT AUDIT
			NEW YORK TOTAL			AT AUDIT

DEC 04B 1/200



Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS COMPENSATION AND EMPLOYERS LIABILITY
INSURANCE POLICY-EXTENSION OF INFO. PAGE

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 00

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92	TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
EXTENSION OF POLICY INFORMATION PAGE**

ST	LOC	CODE NO.	CLASSIFICATION OF OPERATIONS	EST. TOTAL REMUN.	RATE PER \$100 REMUN.	EST. ANNL. PREM.
TX	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	96,388	1.34	1,292.
		9812	EMPLOYER'S LIABILITY		2%	26.
		9898	EXPERIENCE MODIFICATION		.83	-224.
			TEXAS TOTAL			1,094.
WI	ALL	8742	SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	51,251	.77	395.
		9812	EMPLOYER'S LIABILITY		3.30%	13.
		9898	EXPERIENCE MODIFICATION		.83	-69.
			WISCONSIN TOTAL			339.
			POLICY GRAND TOTAL			622,380.

DEC 04B 1/00


Reliance

 Reliance Insurance Company
 Philadelphia, PA

 RETROSPECTIVE PREMIUM ENDORSEMENT
 ONE YEAR PLAN

NCCI CARRIER CODE #12521

 PREVIOUS POLICY
 VK 1733912 01

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92	TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

THIS ENDORSEMENT IS ADDED TO PART FIVE (PREMIUM) BECAUSE YOU CHOSE TO HAVE THE COST OF THE INSURANCE RATED RETROSPECTIVELY. THIS ENDORSEMENT EXPLAINS THE RATING PLAN AND HOW THE RETROSPECTIVE PREMIUM WILL BE DETERMINED.

THIS ENDORSEMENT APPLIES IN THE STATES LISTED IN THE SCHEDULE. IT DETERMINES THE RETROSPECTIVE PREMIUM FOR THE INSURANCE PROVIDED DURING THE RATING PLAN PERIOD BY THIS POLICY AND ANY POLICY LISTED IN THE SCHEDULE. THE RATING PLAN PERIOD IS THE ONE-YEAR PERIOD BEGINNING WITH THE EFFECTIVE DATE OF THIS ENDORSEMENT.

THE AMOUNT OF RETROSPECTIVE PREMIUM DEPENDS ON FIVE STANDARD ELEMENTS AND TWO ELECTIVE ELEMENTS.

A. RETROSPECTIVE PREMIUM STANDARD ELEMENTS

THE FIVE STANDARD ELEMENTS ARE EXPLAINED HERE.

1. STANDARD PREMIUM IS THE PREMIUM WE WOULD CHARGE DURING THE RATING PLAN PERIOD IF YOU HAD NOT CHOSEN RETROSPECTIVE PREMIUM RATING, BUT WITH TWO EXCEPTIONS. STANDARD PREMIUM DOES NOT INCLUDE THE EXPENSE CONSTANT CHARGE OR THE PREMIUM DISCOUNT CREDIT.
2. BASIC PREMIUM IS LESS THAN STANDARD PREMIUM. IT IS STANDARD PREMIUM MULTIPLIED BY A PERCENTAGE CALLED THE BASIC PREMIUM FACTOR. THE BASIC PREMIUM FACTOR VARIES DEPENDING ON THE TOTAL AMOUNT OF STANDARD PREMIUM. THE SCHEDULE SHOWS A RANGE OF BASIC PREMIUM FACTORS FOR DIFFERING AMOUNTS OF ESTIMATED STANDARD PREMIUM. THE ACTUAL BASIC PREMIUM FACTOR WILL BE DETERMINED AFTER THE STANDARD PREMIUM IS DETERMINED. IF EARNED STANDARD PREMIUM IS NOT WITHIN THE RANGE OF THE ESTIMATED STANDARD PREMIUMS SHOWN IN THE SCHEDULE, THE BASIC PREMIUM WILL BE RECALCULATED.
3. INCURRED LOSSES ARE ALL AMOUNTS WE PAY OR ESTIMATE WE WILL PAY FOR LOSSES, INTEREST ON JUDGMENTS, EXPENSES TO RECOVER AGAINST THIRD PARTIES, AND EMPLOYERS LIABILITY LOSS ADJUSTMENT EXPENSES.
4. A CONVERTED LOSS IS AN INCURRED LOSS MULTIPLIED BY A PERCENTAGE CALLED THE LOSS CONVERSION FACTOR. THE LOSS CONVERSION FACTOR IS SHOWN IN THE SCHEDULE.
5. TAXES ARE PART OF THE PREMIUM WE COLLECT. TAXES ARE DETERMINED AS A PERCENTAGE OF BASIC PREMIUM AND CONVERTED LOSSES. THE PERCENTAGE IS CALLED THE TAX MULTIPLIER. IT VARIES BY STATE AND BY FEDERAL AND NON-FEDERAL CLASSIFICATIONS. THE TAX MULTIPLIERS ARE SHOWN IN THE SCHEDULE.



Reliance

Reliance Insurance Company
Philadelphia, PA

RETROSPECTIVE PREMIUM ENDORS. ANT ONE YEAR PLAN

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92 TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

B. RETROSPECTIVE PREMIUM ELECTIVE ELEMENTS

TWO OTHER ELEMENTS ARE INCLUDED IN RETROSPECTIVE PREMIUM IF YOU ELECTED TO INCLUDE THEM. THEY ARE THE EXCESS LOSS PREMIUM FOR THE LOSS LIMITATION, AND THE RETROSPECTIVE DEVELOPMENT PREMIUM. THEY ARE EXPLAINED HERE.

1. THE ELECTION OF A LOSS LIMITATION MEANS THAT THE AMOUNT OF INCURRED LOSS TO BE INCLUDED IN THE RETROSPECTIVE PREMIUM IS LIMITED TO AN AMOUNT CALLED THE LOSS LIMITATION. THE LOSS LIMITATION APPLIES SEPARATELY TO EACH PERSON WHO SUSTAINS BODILY INJURY BY DISEASE AND SEPARATELY TO ALL BODILY INJURY ARISING OUT OF ANY ONE ACCIDENT.

THE CHARGE FOR THIS LOSS LIMITATION IS CALLED THE EXCESS LOSS PREMIUM. EXCESS LOSS PREMIUM IS A PERCENTAGE OF STANDARD PREMIUM MULTIPLIED BY THE LOSS CONVERSION FACTOR. THE PERCENTAGE IS CALLED THE EXCESS LOSS PREMIUM FACTOR. TAXES ARE ADDED TO EXCESS LOSS PREMIUM JUST AS THEY ARE FOR OTHER ELEMENTS OF RETROSPECTIVE PREMIUM.

EXCESS LOSS PREMIUM FACTORS VARY BY STATE, BY CLASSIFICATION, AND BY THE AMOUNT OF THE LOSS LIMITATION. IF YOU CHOSE THIS ELECTIVE ELEMENT, THE LOSS CONVERSION FACTOR, THE LOSS LIMITATION, THE EXCESS LOSS PREMIUM FACTORS, AND THE STATES WHERE THEY APPLY ARE SHOWN IN THE SCHEDULE.

2. THE RETROSPECTIVE DEVELOPMENT ELEMENT IS USED TO HELP STABILIZE PREMIUM ADJUSTMENTS. THE PREMIUM FOR THIS ELEMENT IS CHARGED WITH THE FIRST THREE CALCULATIONS OF RETROSPECTIVE PREMIUM, AND IS CALLED THE RETROSPECTIVE DEVELOPMENT PREMIUM. IT IS A PERCENTAGE OF STANDARD PREMIUM MULTIPLIED BY THE LOSS CONVERSION FACTOR. THE PERCENTAGE OF STANDARD PREMIUM IS CALLED THE RETROSPECTIVE DEVELOPMENT FACTOR. TAXES ARE ADDED TO RETROSPECTIVE DEVELOPMENT PREMIUM JUST AS THEY ARE FOR OTHER ELEMENTS OF RETROSPECTIVE PREMIUM.

RETROSPECTIVE DEVELOPMENT FACTORS VARY BY STATE, BY ELECTING A LOSS LIMITATION, AND BY FIRST, SECOND, AND THIRD CALCULATIONS OF RETROSPECTIVE PREMIUM. IF YOU CHOSE THIS ELECTIVE ELEMENT, THE RETROSPECTIVE DEVELOPMENT FACTORS ARE SHOWN IN THE SCHEDULE.

C. RETROSPECTIVE PREMIUM FORMULA

INSURANCE POLICIES LISTED IN THE SCHEDULE WILL BE COMBINED WITH THIS POLICY TO CALCULATE THE RETROSPECTIVE PREMIUM. IF THE POLICIES PROVIDE INSURANCE FOR MORE THAN ONE INSURED, THE RETROSPECTIVE PREMIUM WILL BE DETERMINED FOR ALL INSURED COMBINED, NOT SEPARATELY FOR EACH INSURED.

1. RETROSPECTIVE PREMIUM IS THE SUM OF BASIC PREMIUM, CONVERTED LOSSES, AND TAXES, PLUS THE EXCESS LOSS PREMIUM AND RETROSPECTIVE DEVELOPMENT PREMIUM ELECTIVE ELEMENTS IF YOU CHOSE THEM.

DEC 04B 1/90

**Reliance**Reliance Insurance Company
Philadelphia, PA**RETROSPECTIVE PREMIUM ENDORSEMENT
ONE YEAR PLAN**

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92	TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

2. THE RETROSPECTIVE PREMIUM WILL NOT BE LESS THAN THE MINIMUM NOR MORE THAN THE MAXIMUM RETROSPECTIVE PREMIUM. THE MINIMUM AND MAXIMUM RETROSPECTIVE PREMIUMS ARE DETERMINED BY APPLYING THE MINIMUM AND MAXIMUM FACTORS SHOWN IN THE SCHEDULE TO THE STANDARD PREMIUM.

3. IF THIS ENDORSEMENT APPLIES TO MORE THAN ONE POLICY OR STATE, THE STANDARD PREMIUM, WILL BE THE SUM OF THE STANDARD PREMIUMS FOR EACH POLICY AND STATE.

D. PREMIUM CALCULATIONS AND PAYMENTS

1. WE WILL CALCULATE THE RETROSPECTIVE PREMIUM USING ALL LOSS INFORMATION WE HAVE AS OF A DATE SIX MONTHS AFTER THE RATING PLAN PERIOD ENDS AND ANNUALLY THEREAFTER. WE WILL HAVE THE CALCULATION VERIFIED BY THE APPROPRIATE RATE SERVICE ORGANIZATION AT YOUR REQUEST.

WE MAY MAKE A SPECIAL VALUATION OF THE RETROSPECTIVE PREMIUM AS OF ANY DATE THAT YOU ARE DECLARED BANKRUPT OR INSOLVENT, MAKE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, ARE INVOLVED IN REORGANIZATION, RECEIVERSHIP, OR LIQUIDATION, OR DISPOSE OF ALL YOUR INTEREST IN WORK COVERED BY THE INSURANCE. YOU WILL PAY THE AMOUNT DUE US IF THE RETROSPECTIVE PREMIUM IS MORE THAN THE TOTAL STANDARD PREMIUM AS OF THE SPECIAL VALUATION DATE.

2. AFTER A CALCULATION OF RETROSPECTIVE PREMIUM, YOU AND WE MAY AGREE THAT IT IS THE FINAL CALCULATION. NO OTHER CALCULATION WILL BE MADE UNLESS THERE IS A CLERICAL ERROR IN THE FINAL CALCULATION.

3. AFTER EACH CALCULATION OF RETROSPECTIVE PREMIUM, YOU WILL PAY PROMPTLY THE AMOUNT DUE US, OR WE WILL REFUND THE AMOUNT DUE YOU. EACH INSURED IS RESPONSIBLE FOR THE PAYMENT OF ALL STANDARD PREMIUM AND RETROSPECTIVE PREMIUM CALCULATED UNDER THIS ENDORSEMENT.

E. WORK IN OTHER STATES

IF ANY OF THE POLICIES PROVIDE INSURANCE IN A STATE NOT LISTED IN THE TABLE OF STATES, AND IF YOU BEGIN WORK IN THAT STATE DURING THE RATING PLAN PERIOD, THIS ENDORSEMENT WILL APPLY TO THAT INSURANCE IF THIS RATING PLAN APPLIES IN THAT STATE ON AN INTERSTATE BASIS. THE RETROSPECTIVE PREMIUM STANDARD ELEMENTS, AND THE ELECTIVE ELEMENTS YOU CHOSE, WILL BE DETERMINED BY OUR MANUALS FOR THAT STATE, AND ADDED TO THE SCHEDULE BY ENDORSEMENT.

F. CANCELATION

1. IF ANY INSURANCE SUBJECT TO THIS ENDORSEMENT IS CANCELED, THE EFFECTIVE DATE OF CANCELATION WILL BECOME THE END OF THE RATING PLAN PERIOD FOR

DEC 04B 1/80



Reliance

Reliance Insurance Company
Philadelphia, PA

PREVIOUS POLICY
VK 1733912 01

RETROSPECTIVE PREMIUM ENDORS. ENT
ONE YEAR PLAN

NCCI CARRIER CODE #12521

****EFFECTIVE 06/17/92**

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 01	FROM: 06/17/92 TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

5. THE TAX MULTIPLIERS, EXCESS LOSS PREMIUM FACTORS, AND RETROSPECTIVE DEVELOPMENT FACTORS, AND THE STATES WHERE THEY APPLY, ARE SHOWN IN THE TABLE OF STATES.

TABLE OF STATES

STATE	EXCESS LOSS PREMIUM FACTORS		TAX MULTIPLIER	
	STATE (OTHER THAN "F" CLASSES)	FEDERAL ("F" CLASSES ONLY)	STATE (OTHER THAN "F" CLASSES)	FEDERAL ("F" CLASSES ONLY)
AZ	NA		1.038	
CO	NA		1.038	
CT	NA		1.038	
GA	NA		1.038	
IL	NA		1.038	
LA	NA		1.038	
MD	NA		1.038	
MN	NA		1.038	
MO	NA		1.038	
TX	NA		1.038	
WI	NA		1.038	

RETROSPECTIVE DEVELOPMENT FACTORS			
STATE	1ST	2ND	3RD

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE ON THE DATE ISSUED UNLESS OTHERWISE STATED.

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Reliance

Reliance Insurance Company
Philadelphia, PA

RETROSPECTIVE PREMIUM ENDORS
SHORT FORM

VT --

NEW POLICY
**EFFECTIVE 06/17/92

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VQ 8472523 00	FROM: 06/17/92	TO: 06/17/93	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY THE RETROSPECTIVE PREMIUM
ENDORSEMENT FORMING A PART OF POLICY NUMBER:

VK 1733912

DEC 048 1/90

**NOTICE OF ELECTION
OF
RETROSPECTIVE RATING PLAN**

The undersigned certifies that the named insured has elected the use of the Retrospective Rating Plan as detailed below. It is also certified that the insured understands all terms, conditions and provisions of the Plan, including the method of premium computation, payment, and penalties for cancellation.

This Plan shall apply to all policies indicated below effective:

1. Name of Insured: **CPG International, Inc.**
2. Address of Insured: **510 Broad Hollow Road
Melville, N.Y. 11747**
3. Policy Number(s) **Effective Date(s)**
VK 173 39 12 - 01 June 17, 1992
VQ 847 25 23
4. Rating Option Selected: **Plan V**
5. If Rating Option V Selected:
 - A. Minimum Premium Factor: **BASIC x's Tax Multiplier**
 - B. Maximum Premium Factor: **1.00%**
 - C. Loss Conversion Factor: **1.09**
6. Term of Plan. (Indicated A,B or C) **A - 1 Year**
 - A. 1 Year or 3 Year.
 - B. Long Term Construction Project (Enter Details in 9)
 - C. Wrap Up Construction Project (Enter Details in 9)
7. Loss Limitation (if applicable) **N/A**
8. Do Retrospective Development Factors Apply? () Yes (X) No
9. Indicate any special conditions which apply to the plan elected for this Insured: **Involuntary Loads Included Within Tax Multiplier.**

Stanley R. Roth *Vice Chairman*
Signature of Insured **CPG**

8/13/92
Date Signed

(Proprietor Partner, or Authorized
Officer of Corporation)



**Reliance**Reliance Insurance Company
Philadelphia, PA**INSURED'S NAME**
POLICY INFORMATION PAGE ENDORSEMENT

NCCI CARRIER CODE #12521

PREVIOUS POLICY
NEW POLICY

**EFFECTIVE 06/17/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733935 00	FROM: 06/17/93	TO: 06/30/93	0630056
NAME OF INSURED AND ADDRESS		AGENCY NAME AND ADDRESS	
CPG INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747		JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004	

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
POLICY INFORMATION PAGE ENDORSEMENT

THE INSURED'S NAME IS CHANGED TO READ:

CPG INTERNATIONAL, INC.
CHARTPAK, U.S.;
PLANHOLD CORPORATION;
CLEAR PRINT PAPER COMPANY, INC.
PICKETT INDUSTRIES

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE
ON THE DATE ISSUED UNLESS OTHERWISE STATED ABOVE.(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED
SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$

ENDORSEMENT NUMBER

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**Reliance**Reliance Insurance Company
Philadelphia, PA**POLICY INFORMATION PAGE ENDORSEMENT
CHANGE IN WORKPLACE OF INSURED**

NCCI CARRIER CODE #12521

PREVIOUS POLICY
NEW POLICY

**EFFECTIVE 06/17/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733935 00	FROM: 06/17/93	TO: 06/30/93	0630056
NAME OF INSURED AND ADDRESS		AGENCY NAME AND ADDRESS	
CPG INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747		JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004	

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
POLICY INFORMATION PAGE ENDORSEMENT**

THE WORKPLACE OF THE INSURED IS CHANGED TO READ:

CLEAR PRINT
1482 67TH STREET
EMERYVILLE, CA 94608PLANHOLD
17421 VON KARMAN
IRVINE, CA 92714

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE
ON THE DATE ISSUED UNLESS OTHERWISE STATED ABOVE.(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED
SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$

ENDORSEMENT NUMBER

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Reliance Insurance Company
 Philadelphia, PA

**POLICY INFORMATION PAGE ENDORSEMENT
 CHANGE IN WORKPLACE OF INSURED**

NCCI CARRIER CODE #12521

PREVIOUS POLICY
 VK 1733912 01

****EFFECTIVE 06/30/93**

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93	TO: 06/30/94	0630056
NAME OF INSURED AND ADDRESS		AGENCY NAME AND ADDRESS	
CPG INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747		JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004	

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
 POLICY INFORMATION PAGE ENDORSEMENT**

THE WORKPLACE OF THE INSURED IS CHANGED TO READ:

CPG INTERNATIONAL, INC.
 510 BROAD HOLLOW ROAD
 MELVILLE, NY 11747

CHARTPAK
 1155 EAST PALMDALE
 TUCSON, AZ 85744

CLEAR PRINT
 1482 67TH STREET
 EMERYVILLE, CA 94608

PLANHOLD
 17421 VON KARMAN
 IRVINE, CA 92714

HARTFORD, CT

DETROIT, MI

ST. PAUL, MN

ST. LOUIS, MO

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE ON THE DATE ISSUED UNLESS OTHERWISE STATED ABOVE.

(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$

ENDORSEMENT NUMBER

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DEC 04B 1/20

**Reliance**Reliance Insurance Company
Philadelphia, PA**POLICY INFORMATION PAGE ENDORSEMENT
CHANGE IN WORKPLACE OF INSURED**

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/30/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93	TO: 06/30/94	0630056

NAME OF INSURED AND ADDRESS	AGENCY NAME AND ADDRESS
CPG INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747	JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
POLICY INFORMATION PAGE ENDORSEMENT**

THE WORKPLACE OF THE INSURED IS CHANGED TO READ:

MIAMI, FL

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE
ON THE DATE ISSUED UNLESS OTHERWISE STATED ABOVE.(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED
SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$

ENDORSEMENT NUMBER

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Reliance

Reliance Insurance Company
Philadelphia, PA

**WORKERS COMPENSATION AND EMPL RS LIAB.
INSURANCE POLICY INFORMATION PAGE**

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/30/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93	TO: 06/30/94	0630056

NAME OF INSURED AND ADDRESS	AGENCY NAME AND ADDRESS
CPG INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747	JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004

ENTITY OF INSURED - CORPORATION

FILING NO. SEE ENDT. 990600

FEIN NO. 330106915

OTHER WORKPLACES NOT SHOWN ABOVE: SEE EXTENSION OF INFORMATION PAGE

ITEM 2. THE POLICY PERIOD IS EFFECTIVE FROM 12:01 AM ON THE DATE SHOWN ABOVE AND EXPIRES AT 12:01 AM ON THE DATE SHOWN ABOVE.

ITEM 3. A. WORKERS' COMPENSATION INSURANCE: PART ONE OF THE POLICY APPLIES TO THE WORKERS' COMPENSATION LAW OF THE STATES LISTED HERE:
AZ,CA,CT,FL,LA,MI,MN,MO,NJ,NY

B. EMPLOYERS' LIABILITY INSURANCE: PART TWO OF THE POLICY APPLIES TO WORK IN EACH STATE LISTED IN ITEM 3.A.: THE LIMITS OF OUR LIABILITY UNDER PART TWO ARE:

BODILY INJURY BY ACCIDENT \$ 1,000,000 EACH ACCIDENT
BODILY INJURY BY DISEASE \$ 1,000,000 POLICY LIMIT
BODILY INJURY BY DISEASE \$ 1,000,000 EACH EMPLOYEE

C. OTHER STATES INSURANCE: PART THREE OF THE POLICY APPLIES TO THE STATES, IF ANY, LISTED HERE: ALL STATES EXCEPT NV, ND, OH, WA, WV AND WY AND STATES DESIGNATED IN ITEM 3.A. OF THE INFORMATION PAGE.

D. THIS POLICY INCLUDES THESE ENDORSEMENTS AND SCHEDULES:
SEE EXTENSION OF INFORMATION PAGE.

ITEM 4. THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY OUR MANUALS OF RULES, CLASSIFICATIONS, RATES AND RATING PLANS. ALL INFORMATION REQUIRED BELOW IS SUBJECT TO VERIFICATION AND CHANGE BY AUDIT.

CLASSIFICATION OF OPERATIONS: SEE EXTENSION OF INFORMATION PAGE

MINIMUM PREMIUM \$ 1,000. EXPENSE CONSTANT \$
TOTAL ESTIMATED COST \$ 555,334.
DEPOSIT PREMIUM *\$ SEE WC990600

*INCLUDES \$ 346. STATE WORKER'S COMPENSATION ADMINISTRATION SURCHARGE
ADJUSTMENT OF PREMIUM SHALL BE MADE ANNUALLY
COPYRIGHT 1987 NATIONAL COUNCIL ON COMPENSATION INSURANCE.

COUNTERSIGNED _____ BY _____
(DATE) (AUTHORIZED REPRESENTATIVE)

DEC 04B 1/80



Reliance

Reliance Insurance Company
Philadelphia, PA

WORKERS COMPENSATION AND EMPLOYERS LIAB.
INSURANCE -- CHANGE ENDORSEMENT

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/30/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93	TO: 06/30/94	0630056

NAME OF INSURED AND ADDRESS	AGENCY NAME AND ADDRESS
CPG INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747	JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY
CHANGE ENDORSEMENT

CHANGE ENDORSEMENT NUMBER 09

FORM WC 000503 RETROSPECTIVE PREMIUM ENDORSEMENT IS REVISED TO ADD THE
FOLLOWING WORDING "NOT APPLICABLE TO CALIFORNIA"

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE
ON THE DATE ISSUED UNLESS OTHERWISE STATED.

(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED
SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$ INCLUDED

COUNTERSIGNED _____ BY _____
(DATE) (AUTHORIZED REPRESENTATIVE)

DEC 04B 1/90

**Reliance**Reliance Insurance Company
Philadelphia, PA**RETROSPECTIVE PREMIUM ENDORSEMENT
ONE YEAR PLAN**

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/30/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93	TO: 06/30/94	0630056

NAMED INSURED: CPG INTERNATIONAL, INC.

SEE ENDORSEMENT WC 890601

THIS ENDORSEMENT IS ADDED TO PART FIVE (PREMIUM) BECAUSE YOU CHOSE TO HAVE THE COST OF THE INSURANCE RATED RETROSPECTIVELY. THIS ENDORSEMENT EXPLAINS THE RATING PLAN AND HOW THE RETROSPECTIVE PREMIUM WILL BE DETERMINED.

THIS ENDORSEMENT APPLIES IN THE STATES LISTED IN THE SCHEDULE. IT DETERMINES THE RETROSPECTIVE PREMIUM FOR THE INSURANCE PROVIDED DURING THE RATING PLAN PERIOD BY THIS POLICY AND ANY POLICY LISTED IN THE SCHEDULE. THE RATING PLAN PERIOD IS THE ONE-YEAR PERIOD BEGINNING WITH THE EFFECTIVE DATE OF THIS ENDORSEMENT.

THE AMOUNT OF RETROSPECTIVE PREMIUM DEPENDS ON FIVE STANDARD ELEMENTS AND TWO ELECTIVE ELEMENTS.

A. RETROSPECTIVE PREMIUM STANDARD ELEMENTS

THE FIVE STANDARD ELEMENTS ARE EXPLAINED HERE.

1. STANDARD PREMIUM IS THE PREMIUM WE WOULD CHARGE DURING THE RATING PLAN PERIOD IF YOU HAD NOT CHOSEN RETROSPECTIVE PREMIUM RATING, BUT WITH TWO EXCEPTIONS. STANDARD PREMIUM DOES NOT INCLUDE THE EXPENSE CONSTANT CHARGE OR THE PREMIUM DISCOUNT CREDIT.
2. BASIC PREMIUM IS LESS THAN STANDARD PREMIUM. IT IS STANDARD PREMIUM MULTIPLIED BY A PERCENTAGE CALLED THE BASIC PREMIUM FACTOR. THE BASIC PREMIUM FACTOR VARIES DEPENDING ON THE TOTAL AMOUNT OF STANDARD PREMIUM. THE SCHEDULE SHOWS A RANGE OF BASIC PREMIUM FACTORS FOR DIFFERING AMOUNTS OF ESTIMATED STANDARD PREMIUM. THE ACTUAL BASIC PREMIUM FACTOR WILL BE DETERMINED AFTER THE STANDARD PREMIUM IS DETERMINED. IF EARNED STANDARD PREMIUM IS NOT WITHIN THE RANGE OF THE ESTIMATED STANDARD PREMIUMS SHOWN IN THE SCHEDULE, THE BASIC PREMIUM WILL BE RECALCULATED.
3. INCURRED LOSSES ARE ALL AMOUNTS WE PAY OR ESTIMATE WE WILL PAY FOR LOSSES, INTEREST ON JUDGMENTS, EXPENSES TO RECOVER AGAINST THIRD PARTIES, AND EMPLOYERS LIABILITY LOSS ADJUSTMENT EXPENSES.
4. A CONVERTED LOSS IS AN INCURRED LOSS MULTIPLIED BY A PERCENTAGE CALLED THE LOSS CONVERSION FACTOR. THE LOSS CONVERSION FACTOR IS SHOWN IN THE SCHEDULE.
5. TAXES ARE PART OF THE PREMIUM WE COLLECT. TAXES ARE DETERMINED AS A PERCENTAGE OF BASIC PREMIUM AND CONVERTED LOSSES. THE PERCENTAGE IS CALLED THE TAX MULTIPLIER. IT VARIES BY STATE AND BY FEDERAL AND NON-FEDERAL CLASSIFICATIONS. THE TAX MULTIPLIERS ARE SHOWN IN THE SCHEDULE.


Reliance

 Reliance Insurance Company
 Philadelphia, PA

**RETROSPECTIVE PREMIUM ENDORSEMENT
 ONE YEAR PLAN**
NCCI CARRIER CODE #12521
**PREVIOUS POLICY
 VK 1733912 01**
****EFFECTIVE 06/30/93**

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93 TO: 06/30/94	0630056
NAMED INSURED: CPG INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601

B. RETROSPECTIVE PREMIUM ELECTIVE ELEMENTS

TWO OTHER ELEMENTS ARE INCLUDED IN RETROSPECTIVE PREMIUM IF YOU ELECTED TO INCLUDE THEM. THEY ARE THE EXCESS LOSS PREMIUM FOR THE LOSS LIMITATION, AND THE RETROSPECTIVE DEVELOPMENT PREMIUM. THEY ARE EXPLAINED HERE.

1. THE ELECTION OF A LOSS LIMITATION MEANS THAT THE AMOUNT OF INCURRED LOSS TO BE INCLUDED IN THE RETROSPECTIVE PREMIUM IS LIMITED TO AN AMOUNT CALLED THE LOSS LIMITATION. THE LOSS LIMITATION APPLIES SEPARATELY TO EACH PERSON WHO SUSTAINS BODILY INJURY BY DISEASE AND SEPARATELY TO ALL BODILY INJURY ARISING OUT OF ANY ONE ACCIDENT.

THE CHARGE FOR THIS LOSS LIMITATION IS CALLED THE EXCESS LOSS PREMIUM. EXCESS LOSS PREMIUM IS A PERCENTAGE OF STANDARD PREMIUM MULTIPLIED BY THE LOSS CONVERSION FACTOR. THE PERCENTAGE IS CALLED THE EXCESS LOSS PREMIUM FACTOR. TAXES ARE ADDED TO EXCESS LOSS PREMIUM JUST AS THEY ARE FOR OTHER ELEMENTS OF RETROSPECTIVE PREMIUM.

EXCESS LOSS PREMIUM FACTORS VARY BY STATE, BY CLASSIFICATION, AND BY THE AMOUNT OF THE LOSS LIMITATION. IF YOU CHOSE THIS ELECTIVE ELEMENT, THE LOSS CONVERSION FACTOR, THE LOSS LIMITATION, THE EXCESS LOSS PREMIUM FACTORS, AND THE STATES WHERE THEY APPLY ARE SHOWN IN THE SCHEDULE.

2. THE RETROSPECTIVE DEVELOPMENT ELEMENT IS USED TO HELP STABILIZE PREMIUM ADJUSTMENTS. THE PREMIUM FOR THIS ELEMENT IS CHARGED WITH THE FIRST THREE CALCULATIONS OF RETROSPECTIVE PREMIUM, AND IS CALLED THE RETROSPECTIVE DEVELOPMENT PREMIUM. IT IS A PERCENTAGE OF STANDARD PREMIUM MULTIPLIED BY THE LOSS CONVERSION FACTOR. THE PERCENTAGE OF STANDARD PREMIUM IS CALLED THE RETROSPECTIVE DEVELOPMENT FACTOR. TAXES ARE ADDED TO RETROSPECTIVE DEVELOPMENT PREMIUM JUST AS THEY ARE FOR OTHER ELEMENTS OF RETROSPECTIVE PREMIUM.

RETROSPECTIVE DEVELOPMENT FACTORS VARY BY STATE, BY ELECTING A LOSS LIMITATION, AND BY FIRST, SECOND, AND THIRD CALCULATIONS OF RETROSPECTIVE PREMIUM. IF YOU CHOSE THIS ELECTIVE ELEMENT, THE RETROSPECTIVE DEVELOPMENT FACTORS ARE SHOWN IN THE SCHEDULE.

C. RETROSPECTIVE PREMIUM FORMULA

INSURANCE POLICIES LISTED IN THE SCHEDULE WILL BE COMBINED WITH THIS POLICY TO CALCULATE THE RETROSPECTIVE PREMIUM. IF THE POLICIES PROVIDE INSURANCE FOR MORE THAN ONE INSURED, THE RETROSPECTIVE PREMIUM WILL BE DETERMINED FOR ALL INSURED COMBINED, NOT SEPARATELY FOR EACH INSURED.

1. RETROSPECTIVE PREMIUM IS THE SUM OF BASIC PREMIUM, CONVERTED LOSSES, AND TAXES, PLUS THE EXCESS LOSS PREMIUM AND RETROSPECTIVE DEVELOPMENT PREMIUM ELECTIVE ELEMENTS IF YOU CHOSE THEM.

DEC 04/91/90



Reliance

Reliance Insurance Company
Philadelphia, PA

RETROSPECTIVE PREMIUM ENDORSEMENT ONE YEAR PLAN

NCCI CARRIER CODE #12521

PREVIOUS POLICY
VK 1733912 01

**EFFECTIVE 06/30/93

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93 TO: 06/30/94	0630056
NAMED INSURED: CPG INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601

2. THE RETROSPECTIVE PREMIUM WILL NOT BE LESS THAN THE MINIMUM NOR MORE THAN THE MAXIMUM RETROSPECTIVE PREMIUM. THE MINIMUM AND MAXIMUM RETROSPECTIVE PREMIUMS ARE DETERMINED BY APPLYING THE MINIMUM AND MAXIMUM FACTORS SHOWN IN THE SCHEDULE TO THE STANDARD PREMIUM.
3. IF THIS ENDORSEMENT APPLIES TO MORE THAN ONE POLICY OR STATE, THE STANDARD PREMIUM, WILL BE THE SUM OF THE STANDARD PREMIUMS FOR EACH POLICY AND STATE.

D. PREMIUM CALCULATIONS AND PAYMENTS

1. WE WILL CALCULATE THE RETROSPECTIVE PREMIUM USING ALL LOSS INFORMATION WE HAVE AS OF A DATE SIX MONTHS AFTER THE RATING PLAN PERIOD ENDS AND ANNUALLY THEREAFTER. WE WILL HAVE THE CALCULATION VERIFIED BY THE APPROPRIATE RATE SERVICE ORGANIZATION AT YOUR REQUEST.

WE MAY MAKE A SPECIAL VALUATION OF THE RETROSPECTIVE PREMIUM AS OF ANY DATE THAT YOU ARE DECLARED BANKRUPT OR INSOLVENT, MAKE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, ARE INVOLVED IN REORGANIZATION, RECEIVERSHIP, OR LIQUIDATION, OR DISPOSE OF ALL YOUR INTEREST IN WORK COVERED BY THE INSURANCE. YOU WILL PAY THE AMOUNT DUE US IF THE RETROSPECTIVE PREMIUM IS MORE THAN THE TOTAL STANDARD PREMIUM AS OF THE SPECIAL VALUATION DATE.

2. AFTER A CALCULATION OF RETROSPECTIVE PREMIUM, YOU AND WE MAY AGREE THAT IT IS THE FINAL CALCULATION. NO OTHER CALCULATION WILL BE MADE UNLESS THERE IS A CLERICAL ERROR IN THE FINAL CALCULATION.
3. AFTER EACH CALCULATION OF RETROSPECTIVE PREMIUM, YOU WILL PAY PROMPTLY THE AMOUNT DUE US, OR WE WILL REFUND THE AMOUNT DUE YOU. EACH INSURED IS RESPONSIBLE FOR THE PAYMENT OF ALL STANDARD PREMIUM AND RETROSPECTIVE PREMIUM CALCULATED UNDER THIS ENDORSEMENT.

E. WORK IN OTHER STATES

IF ANY OF THE POLICIES PROVIDE INSURANCE IN A STATE NOT LISTED IN THE TABLE OF STATES, AND IF YOU BEGIN WORK IN THAT STATE DURING THE RATING PLAN PERIOD, THIS ENDORSEMENT WILL APPLY TO THAT INSURANCE IF THIS RATING PLAN APPLIES IN THAT STATE ON AN INTERSTATE BASIS. THE RETROSPECTIVE PREMIUM STANDARD ELEMENTS, AND THE ELECTIVE ELEMENTS YOU CHOSE, WILL BE DETERMINED BY OUR MANUALS FOR THAT STATE, AND ADDED TO THE SCHEDULE BY ENDORSEMENT.

F. CANCELATION

1. IF ANY INSURANCE SUBJECT TO THIS ENDORSEMENT IS CANCELED, THE EFFECTIVE DATE OF CANCELATION WILL BECOME THE END OF THE RATING PLAN PERIOD FOR

DEC 04/93 1/00


Reliance

 Reliance Insurance Company
 Philadelphia, PA

**RETROSPECTIVE PREMIUM ENDORSEMENT
 ONE YEAR PLAN**

NCCI CARRIER CODE #12521

 PREVIOUS POLICY
 VK 1733912 01

**EFFECTIVE 06/30/93

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
VK 1733912 02	FROM: 06/30/93	TO: 06/30/94	0630056
NAMED INSURED: CPG INTERNATIONAL, INC.			SEE ENDORSEMENT WC 890601

ALL INSURANCE SUBJECT TO THIS ENDORSEMENT UNLESS WE AGREE WITH YOU, BY ENDORSEMENT, TO CONTINUE THE RATING PLAN PERIOD.

- IF WE CANCEL FOR NONPAYMENT OF PREMIUM, THE MAXIMUM RETROSPECTIVE PREMIUM WILL BE BASED ON THE STANDARD PREMIUM FOR THE RATING PLAN PERIOD, INCREASED PRO RATA TO 365 DAYS.
- IF YOU CANCEL, THE STANDARD PREMIUM FOR THE RATING PLAN PERIOD WILL BE INCREASED BY OUR SHORT RATE TABLE AND PROCEDURE. THIS SHORT RATE PREMIUM WILL BE THE MINIMUM RETROSPECTIVE PREMIUM AND WILL BE USED TO DETERMINE THE BASIC PREMIUM.

THE SHORT RATE PREMIUM WILL BE USED TO DETERMINE THE EXCESS LOSS PREMIUM AND RETROSPECTIVE DEVELOPMENT PREMIUM IF YOU CHOSE THESE ELECTIVE ELEMENTS.

THE MAXIMUM RETROSPECTIVE PREMIUM WILL BE BASED ON THE STANDARD PREMIUM FOR THE RATING PLAN PERIOD, INCREASED PRO RATA TO 365 DAYS.

- SECTION F.3 WILL NOT APPLY IF YOU CANCEL BECAUSE:
 - ALL WORK COVERED BY THE INSURANCE IS COMPLETED;
 - ALL INTEREST IN THE BUSINESS COVERED BY THE INSURANCE IS SOLD; OR
 - YOU RETIRE FROM ALL BUSINESS COVERED BY THE INSURANCE.

SCHEDULE

- OTHER POLICIES SUBJECT TO THIS RETROSPECTIVE PREMIUM ENDORSEMENT:
- LOSS LIMITATION: \$ NQT APPLICABLE
- LOSS CONVERSION FACTOR: 1.09
 MINIMUM RETROSPECTIVE PREMIUM FACTOR .276
 MAXIMUM RETROSPECTIVE PREMIUM FACTOR 1.00
- THE BASIC PREMIUM FACTORS SHOWN HERE ARE BASED ON ESTIMATES OF STANDARD PREMIUM. IF THE ACTUAL STANDARD PREMIUM IS WITHIN THE RANGE OF ESTIMATED STANDARD PREMIUMS SHOWN HERE, THE BASIC PREMIUM FACTOR WILL BE OBTAINED BY LINEAR INTERPOLATION TO THE NEAREST ONE-TENTH OF 1%. IF THE ACTUAL STANDARD PREMIUM IS NOT WITHIN THE RANGE OF ESTIMATED STANDARD PREMIUMS, THE BASIC PREMIUM FACTOR WILL BE RECALCULATED.

	50%	100%	150%
ESTIMATED STANDARD PREMIUM:\$	139,896.	\$ 279,792.	\$ 419,688.
BASIC PREMIUM FACTOR:	2.3581	2.3581	2.3581

DEC 04/8 1/90

**NOTICE OF ELECTION
OF
RETROSPECTIVE RATING PLAN**

The undersigned certifies that the named insured has elected the use of the Retrospective Rating Plan as detailed below. It is also certified that the insured understands all terms, conditions and provisions of the Plan, including the method of premium computation, payment, and penalties for cancellation.

This Plan shall apply to all policies indicated below effective:

1. Name of Insured: **CPG International, Inc.**
2. Address of Insured: **510 Broad Hollow Road
Melville, N.Y. 11747**
3. Policy Number(s) **VK173-3912-02
VQ8472523** Effective Date(s) **June 30, 1993**
4. Rating Option Selected: **Plan V**
5. If Rating Option V Selected:
 - A. Minimum Premium Factor: **Basic x TM Multiplier**
 - B. Maximum Premium Factor: **1.00**
 - C. Loss Conversion Factor: **1.09**
6. Term of Plan. (Indicated A, B or C)
 - A. 1 Year or 3 Year.
 - B. Long Term Construction Project (Enter Details in 9)
 - C. Wrap Up Construction Project (Enter Details in 9)
7. Loss Limitation (if applicable) **N/A**
8. Do Retrospective Development Factors Apply? ☒ Yes () No
9. Indicate any special conditions which apply to the plan elected for this Insured:



Signature of Insured

2/14/95

Date Signed

(Proprietor Partner, or Authorized
Officer of Corporation)



**Reliance**Reliance Insurance Company
Philadelphia, PA**WORKERS COMPENSATION AND EMPL. RS LIAB.
INSURANCE POLICY INFORMATION PAGE**

NCCI CARRIER CODE #12521

**EFFECTIVE 06/30/94

PREVIOUS POLICY - VK 1733912 02

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
WO 1733912 03	FROM: 06/30/94	TO: 06/30/95	0630056

NAME OF INSURED AND ADDRESS	AGENCY NAME AND ADDRESS
GPC INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747	JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004

ENTITY OF INSURED - CORPORATION

FILING NO. SEE WC 990600

FEIN NO. 330106915

OTHER WORKPLACES NOT SHOWN ABOVE: SEE ENDORSEMENT WC 890608

ITEM 2. THE POLICY PERIOD IS EFFECTIVE FROM 12:01 AM ON THE DATE SHOWN ABOVE
AND EXPIRES AT 12:01 AM ON THE DATE SHOWN ABOVE.ITEM 3. A. WORKERS' COMPENSATION INSURANCE: PART ONE OF THE POLICY APPLIES
TO THE WORKERS' COMPENSATION LAW OF THE STATES LISTED HERE:
AZ,CA,CT,FL,MI,MN,NJ,NYB. EMPLOYERS' LIABILITY INSURANCE: PART TWO OF THE POLICY APPLIES
TO WORK IN EACH STATE LISTED IN ITEM 3.A.: THE LIMITS OF OUR
LIABILITY UNDER PART TWO ARE:

BODILY INJURY BY ACCIDENT	\$ 1,000,000 EACH ACCIDENT
BODILY INJURY BY DISEASE	\$ 1,000,000 POLICY LIMIT
BODILY INJURY BY DISEASE	\$ 1,000,000 EACH EMPLOYEE

C. OTHER STATES INSURANCE: PART THREE OF THE POLICY APPLIES TO THE
STATES, IF ANY, LISTED HERE: ALL STATES EXCEPT NV, ND, OH, WA,
WV AND WY AND STATES DESIGNATED IN ITEM 3.A. OF THE INFORMATION
PAGE.D. THIS POLICY INCLUDES THESE ENDORSEMENTS AND SCHEDULES:
SEE EXTENSION OF INFORMATION PAGE.ITEM 4. THE PREMIUM FOR THIS POLICY WILL BE DETERMINED BY OUR MANUALS OF
RULES, CLASSIFICATIONS, RATES AND RATING PLANS. ALL INFORMATION
REQUIRED BELOW IS SUBJECT TO VERIFICATION AND CHANGE BY AUDIT.

CLASSIFICATION OF OPERATIONS: SEE EXTENSION OF INFORMATION PAGE

MINIMUM PREMIUM \$ 1,000.	EXPENSE CONSTANT	\$ 160.
	TOTAL ESTIMATED COST	\$ 561,113.
	DEPOSIT PREMIUM	*\$ SEE WC990600

*INCLUDES \$ 625. STATE WORKER'S COMPENSATION ADMINISTRATION SURCHARGE
ADJUSTMENT OF PREMIUM SHALL BE MADE ANNUALLY
COPYRIGHT 1987 NATIONAL COUNCIL ON COMPENSATION INSURANCE.COUNTERSIGNED _____ BY _____
(DATE) (AUTHORIZED REPRESENTATIVE)

DEC 04B 1/80



Reliance

Reliance Insurance Company
Philadelphia, PA

INSURED'S NAME
POLICY INFORMATION PAGE ENDORSEMENT

NCCI CARRIER CODE #12521

****EFFECTIVE 06/30/94**

PREVIOUS POLICY - VK 1733912 02

POLICY NUMBER	POLICY PERIOD	AGENCY NUMBER
WO 1733912 03	FROM: 06/30/94 TO: 06/30/95	0630056
NAME OF INSURED AND ADDRESS	AGENCY NAME AND ADDRESS	
GPC INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747	JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004	

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
POLICY INFORMATION PAGE ENDORSEMENT

THE INSURED'S NAME IS CHANGED TO READ:

GPC INTERNATIONAL, INC.
CHARTPAK, U.S.
PLANHOLD CORPORATION
CLEAR PRINT PAPER COMPANY, INC.
PICKETT INDUSTRIES

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE ON THE DATE ISSUED UNLESS OTHERWISE STATED ABOVE.

(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$

ENDORSEMENT NUMBER

COPYRIGHT 1987 NATIONAL COUNCIL ON COMPENSATION INSURANCE.

DEC 04B 1/80



Reliance

Reliance Insurance Company
Philadelphia, PA

**POLICY INFORMATION PAGE ENDORSEMENT
CHANGE IN WORKPLACE OF INSURED**

NCCI CARRIER CODE #12521

****EFFECTIVE 06/30/94**

PREVIOUS POLICY - VK 1733912 02

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
WO 1733912 03	FROM: 06/30/94	TO: 06/30/95	0630056
NAME OF INSURED AND ADDRESS		AGENCY NAME AND ADDRESS	
GPC INTERNATIONAL, INC. SEE ENDORSEMENT WC 890601 510 BROAD HOLLOW ROAD MELVILLE, NY 11747		JOHNSON & HIGGINS 125 BROAD ST NEW YORK, NY 10004	

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
POLICY INFORMATION PAGE ENDORSEMENT**

THE WORKPLACE OF THE INSURED IS CHANGED TO READ:

GPC INTERNATIONAL, INC.
510 BROAD HOLLOW ROAD
MELVILLE, NY. 11747

CHARTPAK
1155 EAST PALMDALE
TUCSON, AZ. 85744

CLEAR PRINT
1482 67TH STREET
EMERYVILLE, CA. 94608

PLANHOLD
17421 VON KARMAN
IRVINE, CA. 92714

HARTFORD, CT.

MIAMI, FL.

DETROIT, MI.

ST. PAUL, MN.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE ON THE DATE ISSUED UNLESS OTHERWISE STATED ABOVE.

(THE INFORMATION BELOW IS REQUIRED ONLY WHEN THIS ENDORSEMENT IS ISSUED SUBSEQUENT TO PREPARATION OF THE POLICY.)

PREMIUM \$

ENDORSEMENT NUMBER

COPYRIGHT 1987 NATIONAL COUNCIL ON COMPENSATION INSURANCE.

DEC 04B 1/80



Reliance

Reliance Insurance Company
Philadelphia, PA

RETROSPECTIVE PREMIUM ENDORSEMENT
ONE YEAR PLAN

NCCI CARRIER CODE #12521

**EFFECTIVE 06/30/94

PREVIOUS POLICY - VK 1733912 02

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
WQ 1733912 03	FROM: 06/30/94	TO: 06/30/95	0630056
NAMED INSURED: GPC INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601	

THIS ENDORSEMENT IS ADDED TO PART FIVE (PREMIUM) BECAUSE YOU CHOSE TO HAVE THE COST OF THE INSURANCE RATED RETROSPECTIVELY. THIS ENDORSEMENT EXPLAINS THE RATING PLAN AND HOW THE RETROSPECTIVE PREMIUM WILL BE DETERMINED.

THIS ENDORSEMENT APPLIES IN THE STATES LISTED IN THE SCHEDULE. IT DETERMINES THE RETROSPECTIVE PREMIUM FOR THE INSURANCE PROVIDED DURING THE RATING PLAN PERIOD BY THIS POLICY AND ANY POLICY LISTED IN THE SCHEDULE. THE RATING PLAN PERIOD IS THE ONE-YEAR PERIOD BEGINNING WITH THE EFFECTIVE DATE OF THIS ENDORSEMENT.

THE AMOUNT OF RETROSPECTIVE PREMIUM DEPENDS ON FIVE STANDARD ELEMENTS AND TWO ELECTIVE ELEMENTS.

A. RETROSPECTIVE PREMIUM STANDARD ELEMENTS

THE FIVE STANDARD ELEMENTS ARE EXPLAINED HERE.

1. STANDARD PREMIUM IS THE PREMIUM WE WOULD CHARGE DURING THE RATING PLAN PERIOD IF YOU HAD NOT CHOSEN RETROSPECTIVE PREMIUM RATING, BUT WITH TWO EXCEPTIONS. STANDARD PREMIUM DOES NOT INCLUDE THE EXPENSE CONSTANT CHARGE OR THE PREMIUM DISCOUNT CREDIT.
2. BASIC PREMIUM IS LESS THAN STANDARD PREMIUM. IT IS STANDARD PREMIUM MULTIPLIED BY A PERCENTAGE CALLED THE BASIC PREMIUM FACTOR. THE BASIC PREMIUM FACTOR VARIES DEPENDING ON THE TOTAL AMOUNT OF STANDARD PREMIUM. THE SCHEDULE SHOWS A RANGE OF BASIC PREMIUM FACTORS FOR DIFFERING AMOUNTS OF ESTIMATED STANDARD PREMIUM. THE ACTUAL BASIC PREMIUM FACTOR WILL BE DETERMINED AFTER THE STANDARD PREMIUM IS DETERMINED. IF EARNED STANDARD PREMIUM IS NOT WITHIN THE RANGE OF THE ESTIMATED STANDARD PREMIUMS SHOWN IN THE SCHEDULE, THE BASIC PREMIUM WILL BE RECALCULATED.
3. INCURRED LOSSES ARE ALL AMOUNTS WE PAY OR ESTIMATE WE WILL PAY FOR LOSSES, INTEREST ON JUDGMENTS, EXPENSES TO RECOVER AGAINST THIRD PARTIES, AND EMPLOYERS LIABILITY LOSS ADJUSTMENT EXPENSES.
4. A CONVERTED LOSS IS AN INCURRED LOSS MULTIPLIED BY A PERCENTAGE CALLED THE LOSS CONVERSION FACTOR. THE LOSS CONVERSION FACTOR IS SHOWN IN THE SCHEDULE.
5. TAXES ARE PART OF THE PREMIUM WE COLLECT. TAXES ARE DETERMINED AS A PERCENTAGE OF BASIC PREMIUM AND CONVERTED LOSSES. THE PERCENTAGE IS CALLED THE TAX MULTIPLIER. IT VARIES BY STATE AND BY FEDERAL AND NON-FEDERAL CLASSIFICATIONS. THE TAX MULTIPLIERS ARE SHOWN IN THE SCHEDULE.

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Reliance

Reliance Insurance Company
Philadelphia, PA

**RETROSPECTIVE PREMIUM ENDORSEMENT
ONE YEAR PLAN**

NCCI CARRIER CODE #12521

****EFFECTIVE 06/30/94**

PREVIOUS POLICY - VK 1733912 02

POLICY NUMBER	POLICY PERIOD		AGENCY NUMBER
WO 1733912 03	FROM: 06/30/94	TO: 06/30/95	0630056
NAMED INSURED: GPC INTERNATIONAL, INC.		SEE ENDORSEMENT WC 890601	

B. RETROSPECTIVE PREMIUM ELECTIVE ELEMENTS

TWO OTHER ELEMENTS ARE INCLUDED IN RETROSPECTIVE PREMIUM IF YOU ELECTED TO INCLUDE THEM. THEY ARE THE EXCESS LOSS PREMIUM FOR THE LOSS LIMITATION, AND THE RETROSPECTIVE DEVELOPMENT PREMIUM. THEY ARE EXPLAINED HERE.

1. THE ELECTION OF A LOSS LIMITATION MEANS THAT THE AMOUNT OF INCURRED LOSS TO BE INCLUDED IN THE RETROSPECTIVE PREMIUM IS LIMITED TO AN AMOUNT CALLED THE LOSS LIMITATION. THE LOSS LIMITATION APPLIES SEPARATELY TO EACH PERSON WHO SUSTAINS BODILY INJURY BY DISEASE AND SEPARATELY TO ALL BODILY INJURY ARISING OUT OF ANY ONE ACCIDENT.

THE CHARGE FOR THIS LOSS LIMITATION IS CALLED THE EXCESS LOSS PREMIUM. EXCESS LOSS PREMIUM IS A PERCENTAGE OF STANDARD PREMIUM MULTIPLIED BY THE LOSS CONVERSION FACTOR. THE PERCENTAGE IS CALLED THE EXCESS LOSS PREMIUM FACTOR. TAXES ARE ADDED TO EXCESS LOSS PREMIUM JUST AS THEY ARE FOR OTHER ELEMENTS OF RETROSPECTIVE PREMIUM.

EXCESS LOSS PREMIUM FACTORS VARY BY STATE, BY CLASSIFICATION, AND BY THE AMOUNT OF THE LOSS LIMITATION. IF YOU CHOSE THIS ELECTIVE ELEMENT, THE LOSS CONVERSION FACTOR, THE LOSS LIMITATION, THE EXCESS LOSS PREMIUM FACTORS, AND THE STATES WHERE THEY APPLY ARE SHOWN IN THE SCHEDULE.

2. THE RETROSPECTIVE DEVELOPMENT ELEMENT IS USED TO HELP STABILIZE PREMIUM ADJUSTMENTS. THE PREMIUM FOR THIS ELEMENT IS CHARGED WITH THE FIRST THREE CALCULATIONS OF RETROSPECTIVE PREMIUM, AND IS CALLED THE RETROSPECTIVE DEVELOPMENT PREMIUM. IT IS A PERCENTAGE OF STANDARD PREMIUM MULTIPLIED BY THE LOSS CONVERSION FACTOR. THE PERCENTAGE OF STANDARD PREMIUM IS CALLED THE RETROSPECTIVE DEVELOPMENT FACTOR. TAXES ARE ADDED TO RETROSPECTIVE DEVELOPMENT PREMIUM JUST AS THEY ARE FOR OTHER ELEMENTS OF RETROSPECTIVE PREMIUM.

RETROSPECTIVE DEVELOPMENT FACTORS VARY BY STATE, BY ELECTING A LOSS LIMITATION, AND BY FIRST, SECOND, AND THIRD CALCULATIONS OF RETROSPECTIVE PREMIUM. IF YOU CHOSE THIS ELECTIVE ELEMENT, THE RETROSPECTIVE DEVELOPMENT FACTORS ARE SHOWN IN THE SCHEDULE.

C. RETROSPECTIVE PREMIUM FORMULA

INSURANCE POLICIES LISTED IN THE SCHEDULE WILL BE COMBINED WITH THIS POLICY TO CALCULATE THE RETROSPECTIVE PREMIUM. IF THE POLICIES PROVIDE INSURANCE FOR MORE THAN ONE INSURED, THE RETROSPECTIVE PREMIUM WILL BE DETERMINED FOR ALL INSURED COMBINED, NOT SEPARATELY FOR EACH INSURED.

1. RETROSPECTIVE PREMIUM IS THE SUM OF BASIC PREMIUM, CONVERTED LOSSES, AND TAXES, PLUS THE EXCESS LOSS PREMIUM AND RETROSPECTIVE DEVELOPMENT PREMIUM ELECTIVE ELEMENTS IF YOU CHOSE THEM.

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2. THE RETROSPECTIVE PREMIUM WILL NOT BE LESS THAN THE MINIMUM NOR MORE THAN THE MAXIMUM RETROSPECTIVE PREMIUM. THE MINIMUM AND MAXIMUM RETROSPECTIVE PREMIUMS ARE DETERMINED BY APPLYING THE MINIMUM AND MAXIMUM FACTORS SHOWN IN THE SCHEDULE TO THE STANDARD PREMIUM.
3. IF THIS ENDORSEMENT APPLIES TO MORE THAN ONE POLICY OR STATE, THE STANDARD PREMIUM, WILL BE THE SUM OF THE STANDARD PREMIUMS FOR EACH POLICY AND STATE.

D. PREMIUM CALCULATIONS AND PAYMENTS

1. WE WILL CALCULATE THE RETROSPECTIVE PREMIUM USING ALL LOSS INFORMATION WE HAVE AS OF A DATE SIX MONTHS AFTER THE RATING PLAN PERIOD ENDS AND ANNUALLY THEREAFTER. WE WILL HAVE THE CALCULATION VERIFIED BY THE APPROPRIATE RATE SERVICE ORGANIZATION AT YOUR REQUEST.

WE MAY MAKE A SPECIAL VALUATION OF THE RETROSPECTIVE PREMIUM AS OF ANY DATE THAT YOU ARE DECLARED BANKRUPT OR INSOLVENT, MAKE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, ARE INVOLVED IN REORGANIZATION, RECEIVERSHIP, OR LIQUIDATION, OR DISPOSE OF ALL YOUR INTEREST IN WORK COVERED BY THE INSURANCE. YOU WILL PAY THE AMOUNT DUE US IF THE RETROSPECTIVE PREMIUM IS MORE THAN THE TOTAL STANDARD PREMIUM AS OF THE SPECIAL VALUATION DATE.

2. AFTER A CALCULATION OF RETROSPECTIVE PREMIUM, YOU AND WE MAY AGREE THAT IT IS THE FINAL CALCULATION. NO OTHER CALCULATION WILL BE MADE UNLESS THERE IS A CLERICAL ERROR IN THE FINAL CALCULATION.
3. AFTER EACH CALCULATION OF RETROSPECTIVE PREMIUM, YOU WILL PAY PROMPTLY THE AMOUNT DUE US, OR WE WILL REFUND THE AMOUNT DUE YOU. EACH INSURED IS RESPONSIBLE FOR THE PAYMENT OF ALL STANDARD PREMIUM AND RETROSPECTIVE PREMIUM CALCULATED UNDER THIS ENDORSEMENT.

E. WORK IN OTHER STATES

IF ANY OF THE POLICIES PROVIDE INSURANCE IN A STATE NOT LISTED IN THE TABLE OF STATES, AND IF YOU BEGIN WORK IN THAT STATE DURING THE RATING PLAN PERIOD, THIS ENDORSEMENT WILL APPLY TO THAT INSURANCE IF THIS RATING PLAN APPLIES IN THAT STATE ON AN INTERSTATE BASIS. THE RETROSPECTIVE PREMIUM STANDARD ELEMENTS, AND THE ELECTIVE ELEMENTS YOU CHOSE, WILL BE DETERMINED BY OUR MANUALS FOR THAT STATE, AND ADDED TO THE SCHEDULE BY ENDORSEMENT.

F. CANCELATION

1. IF ANY INSURANCE SUBJECT TO THIS ENDORSEMENT IS CANCELED, THE EFFECTIVE DATE OF CANCELATION WILL BECOME THE END OF THE RATING PLAN PERIOD FOR

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ALL INSURANCE SUBJECT TO THIS ENDORSEMENT UNLESS WE AGREE WITH YOU, BY ENDORSEMENT, TO CONTINUE THE RATING PLAN PERIOD.

- IF WE CANCEL FOR NONPAYMENT OF PREMIUM, THE MAXIMUM RETROSPECTIVE PREMIUM WILL BE BASED ON THE STANDARD PREMIUM FOR THE RATING PLAN PERIOD, INCREASED PRO RATA TO 365 DAYS.
- IF YOU CANCEL, THE STANDARD PREMIUM FOR THE RATING PLAN PERIOD WILL BE INCREASED BY OUR SHORT RATE TABLE AND PROCEDURE. THIS SHORT RATE PREMIUM WILL BE THE MINIMUM RETROSPECTIVE PREMIUM AND WILL BE USED TO DETERMINE THE BASIC PREMIUM.

THE SHORT RATE PREMIUM WILL BE USED TO DETERMINE THE EXCESS LOSS PREMIUM AND RETROSPECTIVE DEVELOPMENT PREMIUM IF YOU CHOSE THESE ELECTIVE ELEMENTS.

THE MAXIMUM RETROSPECTIVE PREMIUM WILL BE BASED ON THE STANDARD PREMIUM FOR THE RATING PLAN PERIOD, INCREASED PRO RATA TO 365 DAYS.

- SECTION F.3 WILL NOT APPLY IF YOU CANCEL BECAUSE:

- ALL WORK COVERED BY THE INSURANCE IS COMPLETED;
- ALL INTEREST IN THE BUSINESS COVERED BY THE INSURANCE IS SOLD; OR
- YOU RETIRE FROM ALL BUSINESS COVERED BY THE INSURANCE.

SCHEDULE

- OTHER POLICIES SUBJECT TO THIS RETROSPECTIVE PREMIUM ENDORSEMENT:

- LOSS LIMITATION: \$ NOT APPLICABLE

- LOSS CONVERSION FACTOR: 1.09
MINIMUM RETROSPECTIVE PREMIUM FACTOR **2.0679
MAXIMUM RETROSPECTIVE PREMIUM FACTOR **8.5687

- THE BASIC PREMIUM FACTORS SHOWN HERE ARE BASED ON ESTIMATES OF STANDARD PREMIUM. IF THE ACTUAL STANDARD PREMIUM IS WITHIN THE RANGE OF ESTIMATED STANDARD PREMIUMS SHOWN HERE, THE BASIC PREMIUM FACTOR WILL BE OBTAINED BY LINEAR INTERPOLATION TO THE NEAREST ONE-TENTH OF 1%. IF THE ACTUAL STANDARD PREMIUM IS NOT WITHIN THE RANGE OF ESTIMATED STANDARD PREMIUMS, THE BASIC PREMIUM FACTOR WILL BE RECALCULATED.

	50%	100%	150%
ESTIMATED STANDARD PREMIUM:\$	26,709. \$	53,417. \$	80,126.
BASIC PREMIUM FACTOR:	1.9960	1.9960	1.9960

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5. THE TAX MULTIPLIERS, EXCESS LOSS PREMIUM FACTORS, AND RETROSPECTIVE DEVELOPMENT FACTORS, AND THE STATES WHERE THEY APPLY, ARE SHOWN IN THE TABLE OF STATES.

TABLE OF STATES

STATE	EXCESS LOSS PREMIUM FACTORS		TAX MULTIPLIER	
	STATE (OTHER THAN "F" CLASSES)	FEDERAL ("F" CLASSES ONLY)	STATE (OTHER THAN "F" CLASSES)	FEDERAL ("F" CLASSES ONLY)
*	N/A		*1.036	
	**BASED ON RATE PER \$100 OF PAYROLL	*ALL STATES		
	NOT APPLICABLE	TO CA & NJ		
RETROSPECTIVE DEVELOPMENT FACTORS				
STATE	1ST	2ND	3RD	

THIS ENDORSEMENT CHANGES THE POLICY TO WHICH IT IS ATTACHED AND IS EFFECTIVE ON THE DATE ISSUED UNLESS OTHERWISE STATED.

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